



TEP: COMMIT TO CLEAN ENERGY, NOT OUT-OF-STATE COAL

Tucson Electric Power (TEP) today owns a stake in the San Juan Generating Station, an out-of-state coal plant with an uncertain future. Despite the fact that other owners and stakeholders are backing away from the plan to continue burning coal at the San Juan Generating Station due to huge risks for ratepayers and the rising cost of coal, TEP plans to stick with the coal plant and commit its customers to sending money out of state to buy dirty coal energy for decades to come.

At the same time, TEP is proposing a new tax on rooftop solar energy that would make it more difficult and expensive for customers to generate their own clean, affordable energy. This tax could further hamstring Arizona's growing clean energy economy, jeopardizing good living-wage jobs in solar construction and installation.

It's time for TEP to protect ratepayers here in Arizona by getting out of a dirty, expensive out-of-state coal plant and investing in local clean energy that benefits our community. It's time for TEP to quit holding Arizona back from the clean energy future it deserves!

THE COAL INDUSTRY IS A SINKING SHIP

New revelations about the plan to continue burning coal at the San Juan Generating Station have revealed serious financial risks for TEP customers. The cost estimate for the plan to keep the coal plant running has increased by more

than \$1 billion from original projections. As a result, big cities such as Albuquerque and utilities are backing away from the plan to burn more dirty and expensive coal.

Even Farmington, New Mexico, home of the San Juan Generating Station, has dropped plans to acquire an increased stake in the plant due to the huge costs of upgrading the facility.

San Juan Generating Station is primarily owned and operated by Public Service Company of New Mexico (PNM). As the financial costs for PNM's plans continue to mount, so too do the questions of where the San Juan Generating Station will get its coal after 2017, how much it will cost and who will even own the plant after a contract with multiple utilities expires in 2022. One reason for this uncertainty is that TEP recently announced it would not purchase the coal mine that supplies the San Juan Generating Station.

Earlier this month, an independent hearing examiner in New Mexico found that PNM's proposal to acquire an increased portion of the San Juan Generating Station "is not fair, just and reasonable and in the public interest." TEP ratepayers face a similar risk if the utility continues its reliance on an expensive, out-of-state coal plant. It's not in the best interest of New Mexico, why would it be in the best interest of Arizona to gamble ratepayers' money on an out-of-state coal plant? TEP should take the hint and divest from this troubled facility instead of locking its customers into a future of risk and uncertainty.

ROOFTOP SOLAR CREATES GOOD LOCAL JOBS AND ENERGY INDEPENDENCE

In 2014, TEP got 92% of its energy from fossil fuels — coal and natural gas. The company is not planning adequately for a future that will inevitably include less reliance on these polluting, expensive energy sources. Not only that, TEP is actively fighting to undercut the growing rooftop solar industry that already supports more than 9,000 good, living-wage jobs in Arizona.

TEP has proposed a tax on rooftop solar that would destabilize Arizona's solar economy and hurt families who want to invest in energy independence with rooftop solar panels. TEP is proposing to take energy produced by new solar rooftop customers, paying them less than 6 cents per kilowatt-hour while selling it to other customers for about 13 cents. The proposal also robs rooftop solar customers of the ability to 'bank' excess energy produced when usage is low and use it later when usage is high.

TEP's proposal would price working-class families out of owning their own solar panels, making solar an option only for those who can afford to pay TEP's exorbitant fees. Instead of doubling down on coal and other fossil fuels, TEP should embrace the clean energy economy so Arizona ratepayers can support local jobs instead of sending their energy dollars out of state to a polluting, expensive coal plant that will be obsolete in a few short years.



Arizona created more than 600 new jobs in the solar industry last year alone, a job rate growth of 7.2%, and ranks third nationally in the number of solar jobs. These jobs highlight the enormous potential for economic growth in transitioning from fossil fuels to locally-generated, clean, renewable energy.

Our community is at a crossroads: continue to dump ratepayer money into an aging, out-of-state coal plant or protect Tucson families and communities by taking this unique opportunity to transition to clean, affordable energy like wind and solar. While states like Texas, Colorado, and Arizona expand their renewable energy resources, dumping more money into an outdated coal plant would prevent Arizona from taking advantage of enormous clean energy potential.

Go to sc.org/TEPDivest and tell TEP it's time to commit to local clean energy and put an end to out-of-state coal.

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